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tri city nutrition project

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City of Berkeley

COUNCILMEMBER FELLER

CITY MANAGER'S OFFICE
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M E M O R A N D U M

COUNCILMEMBER GILDA FELLER
Civic Center Building
2180 Milvia Street
Berkeley, Calif. 94704

August 10, 1979

To: Honorable Mayor and
Members of the City Council

From: Forrest Craven, Acting City Manager

Subject: TRI-CITY NUTRITION PROGRAM

The Tri-City Nutrition Program provides hot nutritious meals to senior citizens at four Berkeley locations (North, South, West Berkeley Senior Centers, and the East Bay Japanese for Action Center), and two outside locations in Albany and Emeryville.

Federal funds for this program have not been increased since at least October, 1977. Council was obliged to provide \$10,000 in Federal funds to the program in July to prevent a significant reduction in the number of daily meals served to seniors at these centers. These additional funds will provide current meal levels through September 30, 1979.

In June, 1979, the City submitted a new nine-month proposal to the State for operation of the Nutrition Program from October 1, 1979 through June 30, 1980. This proposal contained the actual dollar amount that would be required to continue the program at its current service level. The State returned the proposal and required us to reduce the budget to have it meet a dollar amount equivalent to that given us in 1977. That is, they have required us to revise it to 9/12 of the 1977 12-month budget.

The Council was advised by staff that an analysis of the impact of such a reduction of the budget would be prepared and submitted to it as soon as possible. The attached impact analysis does that. This document provides a reasonable overview of the program, its history, and current status. We expect to have a follow-up report to the Council regarding the possibility of other funding sources to continue support of the Nutrition Program.

Attachment

cc: Chairperson, Title VII Project Nutrition Council
Chairperson, Commission on Aging
City Clerk

85 0153

CITY OF BERKELEY TRI-CITY NUTRITION PROGRAM
FISCAL PERFORMANCE

IMPACT ANALYSIS FY-78-79 and 79-80

Submitted to:
Berkeley City Council
2180 Milvia Street
Berkeley, CA 94704

July 1979

Forrest Craven, Asst. to the City Manager/Admin.
Mary L. Blackburn, Director of Tri-City Nutrition Project
Phil Kamlarz, Financial Management Analyst



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I. HISTORICAL BACKGROUND

On October 6, 1977, the City of Berkeley received an invitation from the California Department of Aging to administer a three (3) city senior nutrition program. The communication stated that:

"Since it is CDA's intent to have only one contractor for all three cities and the City of Berkeley currently holds a contract with our agency through September 30, 1977, we would like to know whether the City of Berkeley would be interested in submitting a proposal to subcontract with the cities of Albany and Emeryville to operate nutrition sites under the City of Berkeley's administration. The annual allocation including the City of Berkeley's budget is \$209,489.69."

The city responded to this invitation by submitting a three (3) month proposal effective July 1, 1978 - September 30, 1978, and a twelve (12) month proposal, October 1, 1978 - September 30, 1979. At the time the budget was developed and submitted for FY 78-79, there were at least four critical operational assumptions being made:

1. The state consultant, at that time, advised the City of Berkeley that the maximum amount of Title VII monies available for the program was \$209.490. The budget request would therefore, have to be based on the level of this grant award from the state. The city was also led to believe that an additional \$10,000 - \$15,000 could be expected from new federal funds (from the state) in January of 1979 to defray costs not budgeted in the original application. However, the city enthusiastically embarked upon this new program, pending the receipt of new monies in early 1979 to supplement the deficient budget.

2. The city was also in a position to provide an unusually high percentage of the total program cost in nonmatching in-kind contributions (39%). Because of some flexibility in the budget of the Department of Recreation, Parks and Community Services, of which the Division on Aging was a part, there was the opportunity to make modest adjustments for some of the inadequacies in funds.

3. It was estimated from the total number of meals approved that the income from participants donations would represent approximately 11.5% of the total revenue of the program (\$61,875).

4. The \$32,906 or 6.1% of the total cost of the program expected from the USDA Entitlement was an estimate, and could be increased if the total number of reimbursable meals exceeded that amount due to the increase in rate per meal. At the time the application was prepared, the approved rate was 29.25¢ per meal, but increased to 38.5¢ per meal, effective October 1978.

II. FISCAL DEVELOPMENTS

During the 78-79 program year, there were several significant developments affecting the level of finances available to the program. These factors contributed in varying degrees to the need to modify the original operating assumptions:

1. The aftermath of Prop 13 led to a tremendous reduction in the level of financial resources available to the city as a whole. The direct impact of this on the Title VII-Tri-City Nutrition Program can be interpreted from the fact that the Department of Recreation, Parks and Community Services was dismantled. The anticipated backup support was reduced drastically.

2. The additional \$10-15,000 anticipated for early 1979 was never received.

3. The income realized from participants' donations was considerably less than expected. The performance rate translated into an estimated annual short fall of about \$17,000.

4. The total amount of the USDA Entitlement was reduced by \$1,986 in payment of an overdraft of the previous USDA contract, and those USDA funds requested were not always available. An additional \$600 in over payment for FY 77-78 was also charged to the 78-79 contract period.

5. The state consultant advised that a 5.327% cost of living increase mandated by city agreements and understandings, effective July 1, 1978 - June 30, 1979 would not be approved by CDA and therefore, was not included in the budget. At that time, the cost of living increase was in litigation due to the special conditions imposed upon local governments for the receipt of state bail-out monies. Subsequently, this cost of living increase had to be paid because the 1979 ruling of the State Supreme Court upheld it. This decision affected:

a) A three (3) month fiscal period between July 1 - September 30, 1978, which had already been closed out, a deficit of \$1,535.

b) The first three (3) quarters of the 78-79 fiscal cycle from October 1, 1978 - June 30, 1979, a net deficit of \$7,552.

6. An additional cost of living increase projected for July 1, 1979, also affects the fourth quarter of the 78-79 fiscal cycle and will produce an estimated deficit of \$7,803.

*Due primarily to the late opening of the new centers.

7. A request for funds to defray these cost of of living increases absorbed in the 78-79 budget was denied by the state, creating an additional deficit in personnel cost of the current budget of about \$16,890.

8. An evaluation of project administration and staffing needs required to administer sound fiscal as well as service components, reveals extremely inadequate manpower in relation to the mangnitude of the fiscal and pragmatic record keeping and reporting required.

III. PROGRAMMATIC DEVELOPMENTS

A. Participation Rates:

Approximately four (4) years ago, the City of Berkeley embarked on a major building contruction project designed to provide for the seniors of Berkeley three (3) new multi-service centers strategically placed in North, South and West Berkeley. The general program objective was to establish and maintain ongoing functional community focal points for a broad range of senior services. In line with this overall senior program direction, there was a specific need to administer a nutrition program that could serve as a pivotal factor in a comprehensive approach to senior services delivery. Thus, the meal program could provide an impetus for seniors to frequence the senior services center, and to participate more fully in a broad range of senior activities.

Two of these new centers are already in operation; South Berkeley opened in late march, and North Berkeley in late April of 1979. The third new center is projected to open

in March of 1980. Significant increases have been documented in the registration of new participants as well as in the actual number of meals served at the two new centers: By using the number of registrants in the program in March of 1979 as a base index, a 34% increase in total program participants was recorded during the third quarter (April, May and June 1979). At least 43% of the increase was recorded in June 1979. Approximately 98% of the total program increase was in Berkeley proper; and 97% was in the North, South and West Berkeley centers.

Using the increase in registration as a barometer of program growth, it is possible to establish an individual growth factor for each of these centers during the third quarter:

The growth rate for:

1. North Berkeley - 105%
2. South Berkeley - 16%
3. West Berkeley - 16%
4. East Bay Japanese - 3%
5. Albany - 1%
6. Emeryville - 6%

The remodeling of the Albany Senior Center scheduled to open in August of 1979 is expected to generate a significant number of new registrants, causing an abrupt increase in the relatively stable growth rate during the fourth quarter.

The West Berkeley Center scheduled to open in March of 1980 is expected to at least triple the current level of participation.

B. Food Cost:

The raw food cost per meal, projected in the budgeted 17 months ago (at the time the 78-79 application was submitted), is not realistic in face of current and the continuous rise in food prices. A 7% increase in food cost, translates into a reduction in the total number of meals that can be purchased with the funds available.

At least a four (4) month delay in completing the new center kitchen, and equipping them for catering, require an extension of the catering contract with a private vendor through June 30, 1979. This cause an over-expenditure of the annually projected catering cost by at least \$21,000. The total raw food budget was redistributed to cover the overdraft of the catered meals; thus, compounding the problem.

The tremendous growth potential generated by the two new centers has already led to a level of senior participation that exceeds the current level of funding. The new centers, yet to be opened, will increase this level of need even more.

IV. PROGRAM IMPACT/FISCAL YEAR 78-79

In spite of the major budget problem experienced by the Tri-City Nutrition Program during the first three (3) quarters of the 78-79 program year, most of the deficits were functionally absorbed:

A. Personnel:

The personnel cost was kept within the limits of the approved budget by; a) freezing the hiring of approved staff, b) doubling up responsibilities of available staff, c) not making allowance for staff relief; time for vacation and sick time; and d) utilizing to the extent possible in-kind staff support from the city. This practice, however, cannot continue indefinitely because the food services, as well as the administrative staff, are already grossly overworked.

B. Food:

The projected revenue for food provided in the 78-79 budget was from four sources; a) Title VII (Title III-C) funds, b) project income, c) city in-kind, and d) USDA - Reimbursement. The revenue generated from project income was approximately \$17,000 less than projected, and the available USDA funds were reduced by \$1,986 by a 77-78 overdraft. In addition, the purchasing power of the available funds were approximately 7% less than projected. Thus, the net deficit in projected revenue for food was approximately \$24,986.

This deficit was absorbed to some degree by a delay in the opening of the new centers; thus, there was a lower level of service provided during the first and second quarters. A monthly average of 6,768 senior meals were served as compared to 8,239 during the third quarter. However, there still existed a need for approximately \$10,000 to purchase food during the fourth quarter to prevent a 25% reduction

in the average number of meals served per day. This would mean turning away at least 115 seniors per day. (See Appendix A)

C. Other Cost:

All nonfood cost i.e. supplies, space, operation and maintenance of the food van and equipment insurance as well as required travel, and staff training, constituted less than 4% of the annual cash expenditures (\$11,500). Thus, there are no funds in these line items that could be redistributed to defray the deficit in food funds.

V. NUTRITION ADVISORY COUNCIL ACTION

A. Participant Donations:

The Council initially voted to raise the level of the Suggested Donation to 75¢ during the first quarter of the fiscal cycle. However, considerable concerns were raised as to the hardship this would place on the low income seniors who represent approximately 51% of the participants. Subsequently, the donation was reduced to 60¢ during the second quarter. Council considered an increase in the level of the suggested donation again in July of 1979, but the decision was to have it remain at the 60¢ level. The participant donations netted approximately 73% of the annually estimated project income. (See Appendix B)

B. Title III-C (Title VII) Funding:

In early February of 1979, the Nutrition Council embarked upon a massive campaign to bring the issue of inadequate

funding for senior services to the attention of their local, state and federal representatives. The seniors in all six (6) centers participated in a national paper plate drive that generated over four (4) million plates, cards, letters and resolutions on capitol hill. This show of senior concern was directly instrumental in the subsequent consideration of a supplemental appropriation of Title VII-C funds for the 78-79 fiscal year.

Information received by the Council in July 1979 from several congressional sources, confirmed that Congress passed an amendment which would allocate an additional 15 million dollars of Title III-C (Title VII) funds nationally, for the 78-79 fiscal year. The questions that still remain to be answered are:

1. When will the Office of Management and Budget act on this amendment to make funds available under its mandate?

2. If, and when, these funds are released, will any of them be made available to California?

3. If any of these funds reach California, how will they be distributed geographically?

4. What criteria will be used to determine the grantee recipients, and who will establish these criteria?

5. If any of these funds reaches Alameda County, how will the level of distribution among the three (3) projects be determined?

The Nutrition Council has instituted an inquiry into the status of the supplemental appropriation. It will seek to gather statewide information relative to impact, and find ways by which seniors can affect the:

1. Release of the funds in Washington
2. Question of distribution of funds to states.
3. State's decision about how these funds might be distributed locally.

C. Private Funding/Donation:

No significant efforts have been made by the Council in pursuit of private funding/donation. This issue has been raised by various members on several occasions but no definite action of committee assignments have been made to date. The overriding concerns has been "why should seniors have to go begging, they are entitled to at least one meal per day!"

VI. PROGRAMMATIC IMPACT/FISCAL YEAR 79-80

In June of 1979, the City of Berkeley developed and submitted to the California Department of Aging, an application for Continuation Funding of the Tri-City Program for \$218,620, October 1, 1979 - June 30, 1980. Because of the 1978 consolidation mandate, funding request for services, effective July 1, 1980, will be negotiated through the Alameda County Area Agency on Aging (AAA). The city will therefore, need to submit an application to the AAA by March 1980 for services commencing July 1980.

The 79-80 funding request was submitted at a level that took into consideration, to some degree, the rapid growth noted in the program during the third quarter of 78-79, and anticipated additional increases in nutrition service demands during the program year. The state consultant, however, advised the city that the nine (9) month request for Title III-C funds must reflect only 75% of the 78-79 grant allocation.*

In order that the 79-80 budget might reflect the grant award stipulated by the state (\$157,118), \$77,191 in adjustments were made in the cost categories (see the Impact Analysis - Appendix C.

A. Personnel:

Personnel requested was reduced by 29.8% or \$56,240. This translates into:

1. No clerical support and only a 33% time Accounting Clerk.
2. No driver for catering at three (3) sites.
3. No staff relief time or merit increases.
4. Insufficient man-hours for the Meal Site Coordinators in at least three (3) of the meal sites.
5. Insufficient man-hours for Senior Service Aides in at least two (2) of the meal sites.

B. Food:

No consideration is given to increase demands. Meals are projected at 400 per day at the current raw food cost of \$1.10/meal. Thus, there is a loss of 50 meals per day from the current approved level and no allowance has been

*The level of the 1979-80 budget is no greater than that offered in October, 1977.

made for any inflationary factor. The meals, therefore, could be affected by reduced portion size, quality, or number of food items on the menu.

C. Supplies:

1. Food Services - An average of \$66 per site, per month is available for all nonfood supplies.

2. Postage and Office Supplies - No funds are available in the budget.

3. Printing/Duplication - Approximately \$66 per month for all six (6) sites.

4. Replacement of Equipment - A total of \$33 per site.

5. Subscription/memberships = Total \$85

D. Repair and Maintenance:

1. Vehicle Operation - \$100 per month for services to three (3) catering sites as well as the routine acquisition of supplies for all six (6) sites.

2. Vehicle Repair - A total of \$22 per month.

3. Equipment Maintenance - A total of \$16 per month with no funds available for maintenance contracts in the dishwashers at the new centers.

E. Insurance:

No allowance for increase above the 78-79 budget level.

F. Required Training:

For 24 staff and 72 volunteers. A total of \$3.13/person.

In summary, the reduced 79-80 budget will not purchase the level of services now being provided by the Tri-City Program. Because the Title III-C Programs nationally are operating on a Continuing Resolution, it is not known if any new federal monies will be made available before the end of the budget cycle. Therefore, the program will require:

1. Reduction of 1,000 meals in the 78-79 allocated meals per month.
2. A complete halt to any growth in program participation; thus, seniors will have to be turned away.
3. Reduction in the current level of participation of at least 1,000 meals per month, if the program experiences an inflationary rate in food and other cost equal to that of the 1978-79 program year.
4. Further reduction in meals if the projected revenue from participant donations fall below the anticipated level.

Inadequate funds for administrative staff will lead to problems of program compliance. The lack of staff relief time will place a continuing hardship on the current food services staff and would set the stage for unnecessary personnel problems. The lack of funds for approved/required salary increases could lead to the lost of very valuable/committed staff.

VII. COMPARATIVE COST PERFORMANCE

Efforts to obtain data from the state on potential implications of funding impact on program performance of programs in the state/our area have not been fruitful. The state consultant has advised

the city that accumulative data related to total program cost per senior meal, raw food cost, level of participation, budget deficits, potential program cut backs, etc. are not available in any meaningful form at the state level. The Nutrition Advisory Council will be addressing this lack of useful information through joint efforts with state staff and elected officials.

A third quarter food cost analysis of the Tri-City Program and information received by direct contact with the other two (2) senior nutrition projects in Alameda County revealed:

1. South County - (San Leandro, Hayward, Fremont, Newark, San Lorenzo, Livermore, Pleasanton, and Union City)
a \$1.15 per meal raw food cost for the month of May 1979.
2. Oakland and Alameda - that 93% of the meals are catered and the cost per meal ranges from \$1.48 to \$2.00 per meal.
3. Berkeley, Albany and Emeryville - a third quarter accumulative average, raw food cost of \$1.10 per meal for all meals and \$1.114 per meal for senior meals.

This very limited assessment indicates that locally, the Tri-City Program is performing below or equal to the raw food cost rate experienced by other similar programs in the Alameda County area. In addition, the program is not utilizing any Title III-C funds for social support services.

VIII. STAFF RECOMMENDATIONS

Given the current dilemma with respect to the need for an additional \$10,000 for food to accommodate the demands for meal services through September 30, 1979, a deficient 79-80 budget that allows for no increase in funds above those made available for the 78-79 program year, and a nutrition program that experienced a dramatic increase in senior interest/participation, and demands for services during the past three months, it is recommended that:

1. Council not rescind its allocation of \$10,000 for the period July 2, 1979 - September 30, 1979 for senior meals.
2. That a decision on any additional funding for the period October 1, 1979 - September 30, 1980 be deferred until the first meeting in September at which time staff will have completed a comprehensive evaluation of funding resources in light of anticipated current and future demands, including a review of the total senior program budget priorities.

Attachments

CITY OF BERKELEY TRI-CITY NUTRITION PROGRAM
MEAL SITE ALLOCATION AND PROJECTED MEAL REDUCTION
July 1 - September 30, 1979

MEAL SITE	Meal/Day 78-79 Allocation	Growth Rate ¹	Meal/Day June 1979	Performance Rate June Meals + Allocation	Reduction in Meals/Day	
		Seniors Registered			July-Sept. ^a	Aug.-Sept. ^b
City of Albany	80	1%	75	94%	60	45
East Bay Japanese	60	3%	45	75%	45	34
City of Emeryville	35	6%	30	86%	26	20
North Berkeley	85	105%	135	159%	64	48
South Berkeley	115	16%	109	95%	86	65
West Berkeley	75	16%	30	40% ²	30	30
TOTAL/AVERAGE	450	25%	424	92%	311	242

Footnotes:

¹New registrants during third quarter 1979

²New center is not opened

³Reduced to: a) at least 25% of daily allocation
b) approximately 54% of total allocation

TRI-CITY NUTRITION PROJECT THIRD QUARTER PROFILE
SENIOR PARTICIPATION AND DONATION

MEAL SITE	April 1979		May 1979		June 1979	
	#Senior Meals	Donation*	#Senior Meals	Donation*	#Senior Meals	Donation*
Albany Senior Center	1474	23¢	1570	33¢	1364	25¢
Emeryville Senior Center	603	59¢	576	59¢	577	56¢
East Bay Japanese For Action	1020	53¢	1085	53¢	946	58¢
North Berkeley Senior Center	1811	50¢	2689	50¢	2735	50¢
South Berkeley Senior Center	2070	57¢	2236	58¢	2271	54¢
West Berkeley Senior Center	522	51¢	553	48¢	615	50¢
Total Meals and Average Donation	7499	49¢	8709	50¢	8508	49¢

*Average Donation Per Senior Meal Served

Footnotes:

1. Total meals first ½ of year - 40,605 (average donation 56¢)
2. Average Donation/Meal Third Quarter = 49¢
3. Decrease in donation per meal since January 1979 - 11¢ per meal or 18%
4. Deficit in projected donations:
 - a) First ½ FY - \$30,938 less \$22,167 = \$8,771
 - b) Third Quarter - \$15,469 less \$12,027 = \$3,442
 - c) Total deficit to date = \$12,213

Prepared By: Mary L. Blackburn, Project Director
Date: July 16, 1979

IMPACT ANALYSIS
TRI-CITY NUTRITION 79-80 BUDGET REVISION

BUDGET CATEGORY	Budget 79-80	Original Budget Request 79-80	Revised Budget 79-80	Percentage* Reduction	Dollar Value* Reduction
<u>Revenue:</u>					
-State and Project Income	\$271,365	260,920	194,718	25.4%	\$66,202
-USDA	30,920	32,571	28,952	11.1%	3,619
-City	9,188	7,370	-0-	100%	7,370
Total	\$311,473	300,861	223,670		-\$77,191 79-80 -\$87,803 78-79
Personnel	175,858	188,811	132,571	29.8%	-56,240
Food Cost	126,094	101,520	82,720	18.5%	-18,800
Food Services Supplies	5,021	5,000	3,600	28%	-1,400
Office Supplies & Postage	660	500	-0-	100%	- 500
Printing	801	600	600	--	--
Travel and Training	800	700	600	14.3%	- 100
Replace Equipment	150	200	200	--	--
Vehicle Repair & Maintenance	50	200	200	--	--
Vehicle Operation	600	900	900	--	--
Equipment Repair and Maintenance	300	150	150	--	--
Other Cost					
Space & Utilities	2,560	1,395	1,244	10.8%	- 151
Membership Dues	85	85	85	--	--
Insurance	800	800	800	--	--

Total Budget Reduction \$77,191

*Reduction in Original Budget Request 1979-80

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